

Department of Workforce Services
Housing and Community Development Division
Salt Lake City, Utah

Minutes

Thursday, August 3, 2017

Members Present

Jonathan Hardy

Chairman **PERMANENT COMMUNITY IMPACT FUND
BOARD MEETING**

David Damschen
Garth "Tooter" Ogden
Steve Farrell
Naghi Zeenati
Ron Winterton
Sonja Norton
Jae Potter
Gregg Galecki
Jim Matson
Bruce Adams

State Treasurer
Six County Association of Governments
State Board of Water Resources
State Transportation Commission
Uintah Basin Association of Governments
Uintah County
Carbon County
State Board of Water Quality
Five County Association of Governments
Southeastern Association of Local Governments

Excused

Candace Powers

Housing and Community Development

Staff and Visitors

Gayle Gardner
Shad West
Keith Heaton
Cristine Rhead
Rebecca Banner
Katherine Smith
Kyle Slaughter
Brenda Brown
Aubrey Larsen
Kyle Slaughter
Thom Roberts
Jack Lytle
Travis Kyhl
Justin Atkinson
Luci Francis
Pam Leach
Rod Mills
Kary Monroe
Kevin Yack
Quinn Bennion
Diana Carroll
Kendrick Thomas
Ken Burdick
Nolan Davis
Lisa Nelson

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Attorney General's Office
Daggett County
Six County Association of Governments
Sunrise Engineering
Rockville /Springdale Fire Protection District
Town of Rockville
Ensign Engineering
Jones & DeMille Engineering
Uintah Basin Association of Governments
Vernal City
Grand County
Jones & DeMille Engineering
Duchesne County
Beaver County Fire District #2
Division of Drinking Water

Judd Hill	Grand County Airport
Jewel Kloth	Best Engineering
Skyler Davies	Division of Water Quality
Mike McKee	Seven County Infrastructure Coalition
Aaron Averett	Sunrise Engineering
Jared McKee	Tridell LaPoint Water Improvement District
Brian Carver	Bear River Association of Governments
David Dillman	Horrocks Engineering/Grand County
Curtis Wells	Grand County
Sid Pawar	AJC Architects
Bill Cox	Rich County

WELCOME

The Permanent Community Impact Fund Board (CIB) meeting was held on Thursday, August 3, 2017 at the Department of Environmental Quality's Board Room at the Multi-Agency State Office Building, 195 North 1950 West, Salt Lake City, Utah and was called to order at 8:30 a.m. by Chairman Jonathan Hardy.

ADMINISTRATIVE ITEMS

Financial Review

Gayle Gardner reviewed the status of the funds for today's meeting. At the July 6, 2017 meeting, the Board voted to transfer \$10,000,000 from the Infrastructure Set-aside Fund into the Mineral Lease Fund. The \$10,000,000 is shown on the financial page. Fifty percent of this money will be used for loans. There are ten new projects. (North Logan City has requested to be on the September 7, 2017 agenda), one Request for Special Consideration and an item for Board discussion.

I. WELCOME AND INTRODUCTIONS

Chairman Hardy welcomed everyone and asked Board members and staff to give introductions.

Chairman Hardy recognized Commissioner Jae Potter for his 4 years of service on the Board.

Chairman Hardy acknowledged Keith Heaton for his service as Chairman of the Board for the past two years. It was noted that Mr. Heaton has been named President of the Council of State Community Development Agencies (COSFDA) and he will be formally recognized for his service to the Board next month.

Chairman Hardy expressed condolences in the passing of the Board's Attorney General representative, Wade Faraway who passed away suddenly in July. He will be missed. Thom Roberts, who has previously represented the Board for many years, will again be the representative from the Attorney General's Office as legal counsel to the Board.

II. APPROVAL OF MINUTES

Chairman Hardy requested a motion to approve the minutes from the July 6, 2017 meeting.

Ron Winterton made and David Damschen seconded a motion to postpone the approval of the July 6, 2017 minutes requesting clarification on the content of Board discussions at the July 6, 2017 meeting. The motion carried unanimously.

III. NEW PROJECTS

1. Tridell Lapoint Water Improvement District (Uintah County)

Tridell Lapoint Water Improvement District presented a funding assistance request for a \$22,500 grant for the purpose of updating the district master plan. The project consists of updating the district master plan with a 5 point analysis, water model and GIS system. The plan will specifically address changes and additions to the system since the last update, calibration of the water model for current conditions, evaluation of the lower system where meters are being requested, updating water rights and usage numbers. The applicant is contributing \$22,500 cash.

The applicant stated that the plan will help the District ensure improvements and maintenance to meet State requirements to include adequate distribution capacity for fire flow.

The Board asked what would be accomplished with the \$45,000.

The applicant stated that this was an estimate on the cost as it has not been bid. There have been some engineer estimates. This will be a hydraulic model update. In 2012, it was evident there were significant deficiencies in the system; below the 20 psi required. Funding came from Division of Drinking water for a master plan. CIB funded upgrades including 75,000 feet of pipe in 2014 which fixed problems in the main distribution. The south end has small and aging pipe. It would take approximately \$2 million to fix. This study will assist in finding less expensive alternatives. In 2014, the pipe size was increased in most areas replacing 12, 10 and 6 inch pipe to 14 inch pipe which improved the pressure in the system. The hydraulic model prepared initially is no longer accurate. There will be an impact fee assessment and user fee assessment.

Steve Farrell made and Gregg Galecki seconded a motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$22,500 grant. The motion carried unanimously.

2. Grand County Municipal Building Authority (Grand County)

Grand County MBA presented a funding assistance request for a \$600,000 loan for 20 years at 2.5% interest for Phase 1 of 3 upgrades and consists of expanding the runway's width from 75' to 100' and strength from 25,000 to 75,000 pounds to enable the airport to support 50 and 70 seat aircraft as national airlines have discontinued the use of 30 seat aircraft which the airport can currently serve. CIB funds will be used as matching funds for the FAA funding. Funding includes an FAA grant for \$11,600,000 and a state UDOT grant for \$600,000.

The Board asked if the funding from the FAA and UDOT is in place.

The applicant stated there is a time constraint. This is a 3 phase project over 10 – 15 years. The FAA will fund a medium sized airport which is what Canyonlands Field Airport is at this time. The FAA grant request has been submitted to the FAA with an approximate approval of September 15. Funding is needed to match the Federal dollars and the UDOT funding is in place.

The Board asked when construction would begin.

The applicant indicated that there was a pre-bid meeting with potential contractors. It is hoped to minimize impacts on local businesses and would hope to begin on January 1, 2018 closing the airport to finish up before the busy season.

National Environmental Policy Act (NEPA) compliance for this project is met with an Environmental Assessment that began in August 2015. The applicant is also asking the Board to suspend the rules and fund this project.

The Board commented that this airport is significant to Southeastern Utah and will provide consistent air service.

Bruce Adams made and Naghi Zeenati seconded a motion to suspend the rules and fund this project as a \$600,000 loan for 20 years at 2.5% interest.

The Board asked if there was funding set aside for this project.

The applicant stated that funds have been associated with an environmental assessment for over a year and was completed as of August 2, 2017. A final letter from the FAA is expected by August 11, 2017. The applicant has funded a drainage plan to accommodate any future development. Grand County tourism derived taxes are expected to cover the loan payments. The County will be contributing a significant amount for the terminal and the runway over a 2 year period.

The Board commented that the public hearing minutes do not indicate a discussion of loan terms, rates, etc. It should be expected that complete and possible financial disclosures are made to the public. It was also felt that the engineering costs were quite high.

The applicant indicated that there was a discussion of the funding and the engineering includes design and management components for the project. Phase II will include patenting of BLM land for an expanded safety area.

The Chairman called the question.

Bruce Adams made and Naghi Zeenati seconded a motion to suspend the rules and fund this project as a \$600,000 loan for 20 years at 2.5% interest. The motion carried unanimously.

3. Grand County (Grand County)

Grand County presented a funding assistance request for a \$241,376 grant for the Jackson Street Drainage Project. This project is part of Grand County's adopted storm drain master plan for Spanish Valley and consists of constructing an earthen embankment at the outlet of the drainage above the Jackson Street area. The embankment will be 19' high from the downstream toe and 300 feet long along the crest. The embankment consists of 4,170 cubic yards of fill and 4,810 cubic yards of excavation from the interior of the basin. Appurtenances will include an outlet riser structure, outlet conduit and emergency spillway. The applicant is contributing \$241,376 cash.

The Board expressed concern over the high engineering fees and asked if there was a dam permit.

The applicant indicated that this is a high hazard dam with extensive oversight and environmental clearance with BLM, construction management and testing. There is not a dam

permit yet. They wanted to get the funding in place and have scheduled with the geo tech investigation having received clearance from BLM to do that work. The biggest delay will be per BLM and environmental and dam safety but the hope is that it gets built in the spring. There is an approved encroachment permit from Rocky Mountain Power.

The Board asked if this was in a subdivision; Jackson Street. Is it a known wash and might the developer be assisting with this project?

The applicant stated there are homes that are impacted from flooding events in an area that has built up over time, but it is not a subdivision. Debris from flooding events has impacted Hwy 191 multiple times. The residential development dates back to 1950 and 1960 and there is commercial property as well. Also, the project does not qualify for the NRCS funding under the current guidelines.

The Board suggested a loan for the project and asked if a loan could be accommodated.

The applicant indicated they have not identified a revenue source for the repayment of a loan but it may be something they could look into.

Naghi Zeenati made and Tooter Ogden seconded a motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$241,376 loan for 30 years at 2.5% interest.

There was further discussion by the Board. One member expressed support of a grant since the applicant is contributing 50% in cash, \$241,376.

Bruce Adams made and Ron Winterton seconded a substitute motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$241,376 grant as requested. The motion failed with five ayes (Sonja Norton, Jim Matson, Jae Potter, Bruce Adams, Ron Winterton), five nays (Gregg Galecki, Tooter Ogden, Steve Farrell, Naghi Zeenati, David Damschen) and the Chairman voting against.

It was noted that loan funding must be rounded to the nearest 1000 to accommodate the issuance of bonds in increments of 1000 thus amending the loan amount to \$242,000.

The Chairman called for a vote on the original motion.

Naghi Zeenati made and Tooter Ogden seconded a motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$242,000 loan for 30 years at 2.5% interest. The motion carried with 5 ayes (Gregg Galecki, Tooter Ogden, Steve Farrell, Naghi Zeenati, David Damschen) and 5 nays (Sonja Norton, Jim Matson, Jae Potter, Bruce Adams, Ron Winterton) and the Chairman voting in favor.

4. Escalante City (Garfield County)

Escalante City presented a funding assistance request for a \$260,000 loan for 30 years at 1.0% interest and a \$600,000 grant (total \$860,000). This project consists of constructing a 5,200 square foot building for senior citizen services, Meals on Wheels, Care and Share and an emergency food pantry. The building will also be used as a general community events center. Project includes curb and gutter and landscaping. The applicant is contributing \$90,000 cash, Garfield County is contributing \$300,000 cash and USDA \$50,000 cash.

The applicant stated that the existing senior center and food pantry are housed in two separate buildings built in the 1930's. The buildings are structurally challenged, experiencing flooding and roof collapse. The senior center is a small basement, inadequate for the growing senior population. The emergency food pantry services the east part of Garfield County. There is little ability to raise taxes.

The Board asked if there was any revenue generated through the Meals on Wheels or Care and Share programs and asked about operation and maintenance expenses.

The applicant indicated that the County subsidizes these programs and would accommodate the O & M. There is no revenue to Escalante.

The Board inquired as to the age of the buildings to be demolished and the State Historic Preservation Office.

The applicant indicated they have been in contact with SHPO and will be doing the prescribed mitigation procedures.

The Board asked about the status and timing of the various cash contributions.

The applicant said that all but the Rural Development funding is in place. The Rural Development decision will be in October.

Jim Matson made and Bruce Adams seconded a motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$260,000 loan for 30 years at 1.0% interest and a \$600,000 grant (total \$860,000).

The Board inquired as to the loss or effect of the national monument on the economy.

The applicant stated that many families moved when the saw mill was closed and there have been lawsuits by individuals when logging has been proposed. The Grand Staircase generates some money in tourism, but a viable community with access to some of the natural resources would allow more families to come back to the area. Retirement communities are great but families are needed to make a vibrant society.

The Board acknowledged that negative consequences are not reported. One of the largest resources of coal is tied up and this damages Escalante and communities around it.

The Board referred to the retirement of significant city debt which will improve the financial situation and offered a substitute motion.

Gregg Galecki made and Sonja Norton seconded a substitute motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$430,000 loan for 30 years at 1% interest and a \$430,000 grant (total \$860,000) with payments deferred for two years.

David Damschen offered an amendment of 0% interest which was accepted.

Gregg Galecki made and Sonja Norton seconded the amended substitute motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding

meeting as a \$430,000 loan for 30 years at 0% interest and a \$430,000 grant (total \$860,000) with payments deferred for two years.

Thom Roberts from the AG office reminded the applicant of the duty to take into consideration the impact on historic resources and the motion should be contingent on the response from SHPO indicating no adverse effect or proper mitigation.

Gregg Galecki made and Sonja Norton seconded the amended substitute motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$430,000 loan for 30 years at 0% interest and a \$430,000 grant (total \$860,000) with payments deferred for two years and contingent on a SHPO sign-off. The motion carried with Bruce Adams, Steve Farrell and Jim Matson opposed.

5. Beaver County Fire District #2 (Beaver County)

Beaver County Fire District #2 presented a funding assistance request for a \$166,000 loan for 20 years at 2.5% interest and a \$178,000 grant (total \$344,000) for purchasing 2 each Ford F-550 diesel crew cab fire wild land brush trucks with apparatus to meet NFPA and DOT standards.

The applicant stated that Beaver County Fire District #2 has an agreement with the Division of Forestry and BLM as first responders through a new State insurance program. This requires response with the proper equipment. In Milford and Minersville they each have an outdated 1980's brush truck which cannot haul the necessary equipment. They were unable to support the Brian Head fire with brush trucks but did send a structure truck. They have purchased used vehicles for the past 40 years.

The Board acknowledged recent fires and the fire danger for the Western side of Utah. It was noted that the funding request has included admin for the loan portion.

Naghi Zeenati made and Jim Matson seconded a motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$166,000 15 year loan at 2.5% interest and a \$178,000 grant (total \$344,000).

The Board expressed appreciation for firefighters, understanding the need but discussed the difficulty in assessing affordability and asked if the BLM was offering assistance.

The applicant indicated they have received older trucks which the District would need to renovate. There was further discussion by the Board.

Jae Potter made and Ron Winterton seconded a substitute motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$344,000 loan for 15 years at 2.5% interest. The motion carried with 5 ayes (Jae Potter, Ron Winterton, Steve Farrell, Gregg Galecki, David Damschen) and 5 nays (Naghi Zeenati, Bruce Adams, Tooter Ogden, Jim Matson, Sonja Norton) and the Chairman voting in favor.

6. Town of Manila (Daggett County)

The Town of Manila presented a funding assistance request for a \$946,000 loan for 30 years at 0.0% interest and a \$945,000 grant (total \$1,891,000). This project consists of replacing 14,900 linear feet of 8 inch PVC waterline along Highway 43 including the emergency area where

pressure is below state requirements. The project includes 5 new fire hydrants and asphalt cutting and removal. The applicant is contributing \$50,000 cash.

The Board asked if they had made application to the Division of Drinking Water.

The applicant has discussed this project with DDW.

The DDW indicated that at the CIB retreat, it had been suggested to route water and sewer to DEQ first. In subsequent discussions, unintended consequences were brought to light. For example, if DDW reviews and funds the project first and a component would be affordable as a loan, it would loan the approved amount and to accommodate affordability, CIB would necessarily provide a grant. Manila was directed to CIB as first source for that reason. The DDW review was explained in reference to the monthly water bill which indicates a minimum water bill necessary to accommodate the debt. The monthly water bill will cover the proposed debt.

The Board asked what the current lending rate is for DDW.

The DDW bases the rate on the Revenue Bond Buyer Index or RBBI and indicated a current average of 2.5 – 3.0 % for non-disadvantaged communities.

The Board discussed the interest rate on the proposed amount of loan suggesting 2.5%.

The applicant indicated that it would be affordable, but a 75% loan and 25% grant would be very difficult for the area which is economically challenged.

The Chairman referred to a component of this request being an emergency.

The applicant affirmed the emergency as older lines continue to break and leak with regularity.

Naghi Zeenati made and Steve Farrell seconded a motion to suspend the rules and fund this project as a \$946,000 loan for 30 years at 2.5% interest and a \$945,000 grant (total \$1,891,000).

The Board asked about planning for future breaks and maintenance.

The Town has water rates that have allowed some maintenance funding.

The Chairman called the question.

Naghi Zeenati made and Steve Farrell seconded a motion to suspend the rules and fund the project as a \$946,000 loan for 30 years at 2.5% interest and a \$945,000 grant (total \$1,891,000). The motion carried unanimously.

7. Town of Rockville (Washington County)

The Town of Rockville, the gateway to Zion's Park, presented a funding assistance request for a \$60,000 grant for repairing, patching and chip sealing 48,545 square yards of roadway in the town limits. The applicant indicated \$20,000 cash in the application.

The applicant indicated they wish to revise the request to a \$40,000 grant with \$40,000 applicant cash. The Town is impacted by tourism traveling to Zions. They will be rehabilitating the historic bridge in April 2018. This project will provide needed improvements to the existing paved roads.

The Board asked about a maintenance plan for the roads going forward.

The applicant indicated they have implemented a program for ongoing maintenance. B & C road funds will supplement necessary maintenance. They have completed crack seal on their roads in February utilizing Town funds in preparation of the chip seal project.

The Board acknowledged the challenge of tourism traffic moving through the Town without contributing to the revenue. The Board complimented the public hearing discussion for this project.

Naghi Zeenati made and David Damschen seconded a motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$40,000 grant. The motion carried unanimously.

8. Rockville Springdale Fire Protection District (Washington County)

Rockville Springdale Fire Protection District presented a funding assistance request for a \$200,000 loan for 20 years at 2.5% interest and a \$205,000 grant (total \$405,000) for the purchase of a new Pierce pumper fire truck with aerial device fire apparatus. The applicant is contributing \$105,000 cash.

The Board complimented the public meeting discussion. The Board asked about stand-by fees.

The applicant indicated that stand-by fees necessitated by a need for general public safety are assessed to Rockville and Springdale. There is a project reserve account balance of \$200,000 for fire equipment. The \$105,000 cash is coming from the fire equipment fund.

David Damschen made and Naghi Zeenati seconded a motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$200,000 loan for 20 years at 2.5% interest and a \$205,000 grant (total \$405,000). The motion carried with Ron Winterton opposed.

9. Rich County Special Service District (Rich County)

Rich County SSD presented a funding assistance request for a \$3,870,000 loan for 4 years at 0.0% interest and a \$4,462,000 grant (total \$8,332,000). The project consists of the full reconstruction of 9 miles of Cisco Road to include a new bike path. The project includes grading, drainage, new culverts and new asphalt paving.

The applicant indicated that Cisco Road is 12 miles of road on the east side of Bear Lake. It was completed in 1968 and is a major collector for the County. Reconstruction is needed due to traffic and harsh weather conditions. There is approximately \$500,000 for Class B roads and the SSD gets some mineral lease revenue. There is \$700,000 in the mineral lease fund to match some of this funding. The applicant has received a commitment of \$1,700,000 in non-urban funding. There are state parks along this road so application was made to State Park Access Road Funds receiving an award of \$500,000 for year 2021 and \$500,000 for year 2022 requiring a 50% cash match. Total funding from UDOT will be \$3,870,000. The total project is an additional \$4,000,000. The loan requested from the Board will be paid back in 2022.

The Board asked the applicant if they could take it all as a 10 year loan pledging B & C road funds or as requested with 2.5% interest.

The applicant asked if payments could be delayed until 2021 when they would be getting some money for payback.

The Board referred to the other grants coming in a few years to pay off the loan and suggested taking more funding as a loan.

The applicant indicated that there is a required funding match for the \$1.7 million.

There was further Board discussion.

Jae Potter made and Naghi Zeenati seconded a motion placing this project on the Priority List for funding consideration at the October 5, 2017 funding meeting as a \$3,870,000 loan for 4 years at 0.0% interest, a \$2,231,000 loan for 10 years at 2.5% interest with a payment deferral until 2021 and a \$2,231,000 grant (total \$8,332,000). The motion carried unanimously.

10. North Logan City (Cache County)

North Logan City submitted a funding assistance request for a \$40,000 grant for a Municipal System Optimization Review. This project consists of evaluating city culinary water and storm water systems, demographic projections, land use, current and future water demands, delivery requirements and water rights for North Logan City, Logan City, Hyde Park City, Cache County, the Cache Water District and the Crockett Avenue Irrigation & Distribution Company. The applicant is contributing \$19,007 cash with \$84,293 in local cash from various cities and a \$25,000 Reclamation Federal Grant.

North Logan City requested to be on the September agenda due to a conflict in scheduling.

REQUEST FOR SPECIAL CONSIDERATION PROJECTS

Chairman Hardy requested a motion to hear the Request for Special Consideration from the Seven County Infrastructure Coalition.

Ron Winterton made and Jim Matson seconded a motion to hear a Special Consideration Project from the Seven County Infrastructure Coalition. The motion carried unanimously.

1. Seven County Infrastructure Coalition

The Seven County Infrastructure Coalition presented an emergency funding assistance request for a \$100,000 grant for the Daggett County Master Trails Plan. This project consists of creating a trails master plan to identify existing and future trails needed to expand the county's tourism industry and economy. There is a \$100,000 grant from State Parks. They are requesting the Board suspend the rules and fund this project.

Mr. McKee indicated that this project in Daggett County ties into Uintah County and is a multi-county project. There is \$100,000 match money from State Parks. This is a comprehensive plan focused on Daggett County with construction to follow.

Commissioner Lytle indicated that part of this is with Moffat County, Colorado and Sweetwater County, Wyoming to maintain some of that continuity with their plans.

Mr. Damschen asked if this was an emergency as the application was submitted as such and asked what the nature of the emergency was and why do applications from the Coalition always come in as a special consideration.

Mr. McKee said the pipeline project did not come in as an emergency. Daggett County is a struggling, small County with just over 1,000 residents. In Daggett County, recreation is now the main driver of their economy. A season would be lost waiting until February and there is a public benefit in trails.

Mr. Zeenati noted that neither SCIC nor Daggett County has contributed cash for this plan and indicated that Daggett County's financial situation is not new or unexpected.

Mr. McKee stated 50% of the money required to do this plan has been accommodated. What's happened in connection with their jail and some of the things they are dealing with are unexpected.

Commissioner Lytle acknowledged that planning is generally not an emergency but the exigency that is created in Daggett's ability to invite more use of public lands and the subsequent economic development is important. Daggett is doing a forest plan revision and the BLM is doing travel management planning in the northeast corner of that Green River District. Daggett would like to be involved in those other planning efforts. Referring to the earlier plan, it was more bike oriented. This plan will look at all of it including what Uintah County has already done.

Aaron Averett, with Sunrise Engineering, indicated that in Uintah County, the BLM revisions are taking place and the forest service revisions are taking place looking for information concerning corridors that can be used for transportation. A master plan focusing on trails corridors in those federal lands strengthens County positions. The BLM has indicated they are starting the Daggett County area.

Mr. Zeenati referred to a question from citizens of Daggett County asking why Daggett County didn't come directly before the Board rather than going through SCIC.

Mr. McKee stated that part of the problem is that this application was not understood and said it is a multi-county application which ties with Uintah County and did go before the AOG and the County Commission.

Mr. Zeenati referred to the existing jail issue and asked what was being done in Daggett County to remedy that.

Commissioner Lytle referred to meeting with the Daggett County senator and representative as well as the corrections department, rural economic development and Jon Pierpont. They are looking at alternatives for the jail. There is a general obligation bond on the jail and we need to make function of it. People have been laid off and Daggett is in the process of figuring it out.

Mr. Damschen suggested that the current financing is tax exempt which limits the types of things the County can do with that facility – governmental use. There may be the possibility of refinancing with taxable bonds in the re-purposing to accommodate private activities into that facility and asked if there have been specific ideas to utilize the facility.

Commissioner Lytle stated that Daggett is in the very early stages of repurposing. Housing inmates is still in the mix as this is a corrections facility and there are still state-wide needs. Daggett is not sitting idly by. The trail transportation planning is one of those things in the background that needs to occur.

Commissioner Adams referred to the letter from the Lt. Governor contained in the packet which refers to the devastating loss of the jail and expresses support for the trail project.

Commissioner Ogden acknowledged the devastating effects of the jail issue but asked why this trail application would be considered an emergency? He referred to the process of applying and asked if this project was on the Daggett County capital improvement list.

Mr. McKee stated that the issue that happened in the jail is creating a severe financial hardship to Daggett County and suggested that the Board should support approving this now in coordination with a forest revision; to be in on that not after the fact.

Commissioner Ogden asked why Daggett County is not submitting the application and asked if there had been application for other funding such as tourism which has grant funding available.

Mr. McKee stated that the majority of it is in Daggett County but it has those other connections and it is on the SCIC capital improvement list. There was a discussion with Nan Anderson from GOED and there may be funding available for the actual construction.

Mr. Galecki referred to the long process of scoping and planning and asked about the timing.

Commissioner Lytle indicated that the forest service just finished their assessment for the Ashley Forest project. The process is slow and they hope not to miss another season. There needs to be activity on the plan in terms of the NEPA that will be required for the project. The actual trail project would not be under an emergency situation but the planning needs to be started.

Mr. Averett stated that the scope of the project would include alternative funding sources for each of the proposed implementations such as economic development money, travel and tourism money, the state parks money and other sources of funding.

Mr. Damschen expressed concerns about SCIC procedures concerning procurement. He referred to the rural primer as a starting point on best practices for procurement and asked who wrote the procurement issued for a project financial analyst on potential thorium energy and hydrogen plant project.

Mr. McKee indicated that it was written by Eric Johnson.

Mr. Damschen referred to Eric Johnson stating he is not a registered municipal advisor with the municipal securities ruling board and the Securities and Exchange Commission so that may be a violation of the Securities and Exchange Commission municipal advisor roll.

Mr. McKee indicated that these questions are probably more for SCIC rather than for the applicant.

Mr. Damschen indicated that the Coalition is the applicant and his questions are for the Coalition.

Mr. McKee stated that in the past legislative session the legislature authorized CIB to consider funding hydrogen infrastructure. (Throughput Infrastructure Fund) The Coalition is seeking expertise to analyze and review the project in the proper context.

Mr. Damschen listed a number of entities to which the procurement was sent and stated that there wasn't an indication they are specialized in energy or infrastructure. The procurement was out for only 5 days to different types of firms. One very knowledgeable sophisticated firm was a recipient of the procurement and inferred that it appeared to be built for Jeff Holt, one of the primary architects of the Infrastructure Throughput Fund. Procurements usually go out 3 to 6 weeks depending on the complexity and depth of the procurement. The Board should be concerned about these procurement processes. It was suggested that there be a discussion with SCIC about procurement.

Mr. McKee stated he would be happy to do so. The Coalition is a great thing for the State of Utah – honesty and integrity is everything that we are about. He expressed concern and will suggest to the Coalition Board to withhold an award.

Mr. Galecki expressed concern about the cost and the added contingency of 20%.

Mr. Averett stated that it involves doing an inventory of existing connectivity and transportation - roads, existing shoulders, all pathways and connectivity which is a significant undertaking.

Mr. Galecki suggested they are all GIS based and suggested getting files from each entity and overlaying them.

Mr. Averett indicated there isn't information as to where sidewalks are; how wide the shoulders are; how much right of way there is. GIS is integral. Different entities provide GIS information; the forest service, BLM, AGRC each having a separate database to put together.

Mr. Heaton stated that the International Mountain Biking Association plan that was done in 2013 focused on mountain biking. What is the status of that plan in relation to this application?

Mr. Averett said the plan identified 450 miles worth of trails in Daggett County suggested by the International Mountain Biking Association. The estimate that they had 5 years ago was over 2.5 million dollars to build 450 miles of trails. This plan is to consider which of those actually make sense. There was not an implementation plan in the International Mountain Biking Association plan. Simply a suggestion to have 450 miles of trails in Daggett County for mountain biking.

Mr. Galecki asked how they came with the cost estimate of the planning project.

Mr. Averett said having already gone through it in other areas provides a base then the scope, the square mileage and the trails plan that has already been done for mountain biking in that area. Then assess the cost to review. As to the contingency, SCIC has not gone through a procurement process for this or received bids. Estimates are based on what has been done in the past and some things may come up during the forest and BLM plans that could affect cost.

Mr. McKee indicated that work has been done but there has not been any expenditure except for Heather Hoyt doing the CIB application cheaper than through engineering firms.

Mr. Heaton asked if the County Commission or any other entity has attempted to fund any of the recommendations from IMBA and has any evaluation been done on the economic impact of trail improvements.

Commissioner Lytle did not have specifics at today's meeting but did not think there had been an economic evaluation of trail improvements at this point

Mr. Heaton expressed concerns in the approach of trying to help Daggett County economically through a trail system. Spending more money on planning does not have a huge economic impact. Building trails has some economic impact with people constructing and when the trails are in use there is hope for economic impact. There is a plan in place and no evaluation of impact and we're not building on that suggesting a possible missed economic opportunity. Plans are important but do not provide immediate economic impact.

Commissioner Lytle stated that this planning process would be comprehensive in nature because there are competing interests including horseback people, ATV, ETV, foot, bicycle, jeep, truck, etc. Whereas the previous planning effort focused on bike trails. This is to help prioritize 450 miles. We have to plan before we can do things to actually generate revenue.

Mr. Heaton asked if the direct grant to the County would affect PILT.

Commissioner Lytle did not feel that this grant would affect the Daggett County PILT.

Mr. Zeenati asked if the full \$100,000 State Parks is committed.

Mr. McKee indicated that upon signing the contract, \$50,000 is available immediately and the second \$50,000 comes at the end. The contract with an engineer will include billings may be held until total reimbursement of the grant but it is a commitment for \$100,000.

Thom Roberts, legal counsel to the Board indicated that PILT may be affected based on a grant going to Daggett County through the Coalition. You can take a smaller amount without deductions or a larger amount with deductions and all counties have that same option. If an inter-local cooperative is doing things on behalf of its members which are counties, like Daggett's trail plan, that will result in reduction of PILT payments because that will be considered a payment received by that County. If the grant is through the Seven County Infrastructure Coalition, that may affect PILT.

Commissioner Lytle asked if the grant went to Seven County and was applied to Daggett County, that Daggett County's PILT payments could be reduced and that it doesn't matter what category of county we are.

Mr. McKee understood that Daggett and several counties in the State of Utah do not fall under the same PILT offset that the rest of the counties do.

Mr. Roberts indicated that it is his understanding - as this issue has come up a lot over the years; there are ways to claim monies under PILT. One is to take the full amount of PILT monies and then allow for reductions based upon receipt of other monies. Or a county can opt to take a lesser amount and not have PILT reduction payments. Counties are not exempt; they choose to receive payments under this alternative plan.

Commissioner Lytle asked if Mr. Roberts could provide some research concerning this issue.

Mr. McKee asked the Board to authorize the funding while allowing clarification of the PILT issue.

Mr. Roberts indicated willingness on behalf of the Board as their counsel to meet and discuss the research that he has. PILT payments are reduced according to the money a county receives under one of the payment laws, including Mineral Lease. The money from the Impact Board is mineral lease under the payment law and if it's given to the Coalition to pass through to Daggett under that one opinion, there's a good chance that would be cause for reduction of the PILT payments. Coming directly to Daggett County would also affect PILT.

Mr. Heaton suggested that if Daggett County has a special service district, the district could apply.

Mr. McKee requested that the project be approved pending clarity on the PILT issue.

Mr. Galecki clarified that according to the PILT issue it may be the wrong applicant and asked if there was a legal relationship between Seven County and the special service district.

There does not appear to be a legal relationship between the entities and there are no legal ramifications to changing the applicant for a project.

Mr. McKee reiterated a desire for a motion to approve the application pending legal opinions to be able to move forward.

Mr. Zeenati asked if Daggett was comfortable with a motion or would they like to counsel for legal clarification.

Commissioner Lytle would prefer more clarification prior to moving forward and expressed a need to protect the PILT payment within the law but reiterated the need to expedite this project.

Tooter Ogden made and Steve Farrell seconded a motion to place this application on the pending list to allow the applicant to review PILT. The motion carried unanimously.

V. BOARD MEMBER DISCUSSION and/or ACTION ITEMS

Board Doc's training will be at the October funding meeting.

There will be additional information provided.

It was indicated that all Board members have equipment to accommodate digital Board packets, though the Board's legal counsel will need equipment.

ADJOURNMENT

The next regularly scheduled meeting of the Permanent Community Impact Fund Board will be on Thursday, September 7, 2017 at 8:30 a.m. at the Multi-Agency State Office Building, 195 North 1950 West, Salt Lake City, Utah.

The meeting adjourned at 11:50 a.m.

Submitted by:
Cristine Rhead